

107TH CONGRESS
1ST SESSION

S. 539

To amend the Truth in Lending Act to prohibit finance charges for on-time payments.

IN THE SENATE OF THE UNITED STATES

MARCH 15, 2001

Mr. LEVIN (for himself, Mrs. FEINSTEIN, and Mr. BIDEN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Truth in Lending Act to prohibit finance charges for on-time payments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PROHIBITION ON FINANCE CHARGES FOR ON-**
4 **TIME PAYMENTS.**

5 Section 27 of the Truth in Lending Act (15 U.S.C.
6 1637) is amended by adding at the end the following:

7 “(h) PROHIBITION ON FINANCE CHARGES FOR ON-
8 TIME PAYMENTS.—In the case of any credit card account
9 under an open end consumer credit plan, where no other
10 balance is owing on the account, no finance or interest

1 charge may be imposed with regard to any amount of a
2 new extension of credit that was paid on or before the
3 date on which it was due.”.

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